Tatum, Liston, International Business Machines (463 Highland Ave., Orange, N. J.)
Taylor, Meredith R., Michigan State College
Thurston, Marjorie H., University of Minnesota
Tomlinson, Dorothy Brown, 41 Fifth Avenue, New York 3, N. Y.
*Toogood, Mildred, Eastern High School, Lansing, Michigan
Tressler, J. C., Author (83-24 Edgerton Boulevard, Jamaica Estates, N. Y.)
Triplett, Erna P., University of Denver
Tyree, Woodson, Colorado College

*Ulm, Ernest H., Sylvania Electric (1740 Broadway, N. Y. 19, N. Y.)

von Tornow, Georgiana, State Teachers College, Fredonia, New York

Wagner, Russell H., University of Virginia
Walker, Lalla A., Public Schools (700 Broad Street, Nashville 3, Tennessee)
*Wallace, Karl R., University of Illinois
Weinberg, Harry Leon, Temple University
Welsh, J. Dale, Mississippi Southern College.
Whan, F. L., University of Wichita
Whyte, William H., Jr., **Fortune**–Assoc. Editor (9 Rockefeller Plaza, N.Y 20, N.Y.)
Widener, Ralph W., Jr., University of Mississippi
*Wiksell, Wesley, Louisiana State University
Wilkins, Kenneth G., St. Olaf College
Wise, C. M., Louisiana State University
Woellhaf, Richard, University of Denver
*Wood, Margaret, State Teachers College, DeKalb, Illinois
Woods, Donald, University of Minnesota
Wright, Eugene S., University of Minnesota
*Wright, John W., Fresno State College

Zelko, Harold P., Pennsylvania State College
*Ziebarth, E. W., University of Minnesota

HUMAN RELATIONS–KEY TO A NEW ERA

W. Howard Chase

A dozen approaches to this dramatic subject have convinced me that I have only three things to say.

1) In all the history of man the periods of freedom have been measured in years, but the periods of serfdom have been measured in centuries. If the values and traditions of a free people wither away, the free corporate structure cannot survive.

2) The sense of human frustration in the world today is the most dangerous enemy of freedom. Human frustration undermines the will to be free and plants the seeds of blind rebellion.

3) My third point is simply this: No human institution, whether it be a state, a labor union, or a corporation can survive for very long the sustained mass disapproval of man.

W. HOWARD CHASE–Director of Public Relations, General Foods Corporation.

So much for a statement of the problem.

Our objective is to help maintain free man in a free industrial society. We are coming to see that the practice of good human relations is a vital means to that end. We need no more challenge than that.

Now, how solid are the foundations of our system of free man and free business?

New Forces Threaten

The fabulous historical accomplishments of American business are written on the record. A dynamic business system has provided the steel sinews for victory in two great wars. The evidences of men and women cooperatively at work are everywhere about us in great cities, magnificent transport systems, the farms which are literally feeding the world, great educational and cultural systems which may be our temporary despair but which remain the envy of other peoples.

All these are the fruits of a corporate system, using the cooperative and freely offered services of free men. Yet three to four out of every ten Americans are prepared to say yes to almost any question that reflects discredit on our corporate system.

Why, then, has this business system lost steadily in the competition for men's minds and men's loyalties?

How is it, in the face of incontrovertible evidence that what free men produce is good, that the sands of despotism close in on the few remaining cases of free men?

Is it possible that we have so exalted our ability to deliver brands and physical products that we have lost sight of the human needs of the 24-hour man?

Can it be that the American corporation, crying its wares and not a way of life, as the Pharisee cried his virtues in the public place, will suffer the Pharisee's infamy in history?

Certainly the high priests of feudalism swore that theirs was the best of all possible worlds. But mass movement toward greater dignity and freedom of the individual destroyed feudalism in the western world after 1200 years of its existence. Many high priests of today's mass production cry out that this is the best of all possible worlds. Can we be sure that capitalism, an infant of less than 200 years, can survive a new human groping for spiritual satisfaction?

I propose that we have no such assurance and that only superhuman effort, first to comprehend human wants and aspirations, and then to move convincingly toward satisfying them can prevent the tragic decline of a system magnificently productive of things.

Must "Produce a Great Age"

"Mankind," writes Alfred North Whitehead, "is now in one of its rare moods of shifting in outlook. The mere compulsion of tradition has lost its force. It is the business of philosophers, students and practical men to re-create and re-enact a vision of the world . . . There is now no choice

before us. We must produce a great age or see the collapse of the upward striving of our race."

How can we, the practical men of whom Whitehead speaks, help "to re-create and re-enact a vision," and to help "produce a great age?"

This question recalls the second of my two points: that human frustration saps the will to freedom and substitutes prejudice for reason. Therefore, it is the prime responsibility of any man who believes in freedom to reduce the causes of frustration. I list this unhesitatingly as a responsibility of business management.

Where Managements Fail

Management has fallen far short in two ways in dealing with individual and mass frustration. First, we have failed for the most part to understand the basic needs and aspirations of people. We have been preoccupied by the unrealistic belief that men work for wages alone. A study made not long ago in one of our plants revealed that, despite a recent prolonged strike, there was an amazing residue of loyalty toward General Foods.

That the man with a job wants to believe that where he spends his working hours is the best place for him to be, has not yet been understood or capitalized by American management.

The second failure of modern management is to tell its story, to show by word and deed, that its goals are linked with the best interests of its employes, its customers, its owners, and the general public.

Elton Mayo has shown in his two great books, *The Human* and then *The Social Problems of an Industrial Civilization,* how the orderly progression from apprenticeship to craftsman stabilized society until late in the Nineteenth Century. Not until fifty years ago did our urban mechanized society begin to make serious inroads on man's ability to live as a 24-hour man.

How beautifully does Stoyan Christowe, an Armenian immigrant to this country, testify to the wisdom of Mayo's analysis:

"The ten hours I was yoked to the machine, during which I hardly spoke a word, and only heard the whirring of the wheels and the unvaried, rhythmic pounding of the machines, was a suspension of life, a kind of dehumanization. Of course, it was bound up with the pay envelope. That little brown envelope represented six days of insulation from life. And it seemed to me I was paid not so much for doing hard work—for it was not hard work—as for not living.

"In the old country work was part of living. Work and life were inextricably bound up together. There was a union between the doer and the thing done. When you pruned the vines you knew why you had to do it. When you swung the scythe in the meadow you heard the grass sigh as it fell in swaths at your feet. Whatever you did in the old country you understood. And there was an affinity between living and work."

If I lean heavily on human experience in attempting to describe why human relations are a key to corporate survival, it is because from experience are derived the human attitudes. If these attitudes are positive and

loyal to a system, they can and will support it through good times and bad. But if they are attitudes born of human frustration, any system that depends upon them is founded upon the sand and will fail.

Citizen Sam

Take, for example, Gordon Allport's Citizen Sam who moves and has his being in the great activity wheel of New York City. At the factory he becomes a cog for the day in a set of systems far beyond his ken.

To him, (as to everybody else) the company he works for is an abstraction; he plays an unwitting part in the "creation of surpluses" (whatever they are) and though he doesn't know it his furious activity at his machine is regulated by the "law of supply and demand," and by "the availability of raw materials" and by "prevailing interest rates." Unknown to himself he is headed next week for the "surplus labor market."

Throughout the day Sam is immensely active, playing a part in dozens of impersonal cycles of behavior. He has brushed scores of "corporate personalities," but has entered into intimate relations with no single human being.

And what is the affect of this life in terms of attitudes toward his business system?

Depth studies of Citizen Sams today reveal these prevailing beliefs:

1) Management is more interested in the dollar sign than in humanity.
2) Management manages without heart.
3) Management has to be forced to provide decent working conditions.
4) Management has to be forced by government and by unions to share profits.
5) Management still makes fantastic profits.

But, where management has recognized Citizen Sam as a human being, where genuine effort has been made to make him feel that he is an appreciated vital part of an important operation, where management has talked turkey about its problems in terms Citizen Sam understands, there has been greater labor peace, greater understanding, and ultimately better production. These are the fruits of an all-out planned attack on human frustration, the enemy of free man and free institutions.

Disapproval Brings Conflict

My third and last point, was simply that neither your company nor the economic system you represent can survive if the majority of the people decide firmly that they disapprove of the cut of your jib.

If they disapprove, conflict is inevitable and cannot be legislated out of existence.

It is not enough to cry your wares. Today, and increasingly, the men and women who buy your products, the men and women who work for your companies, who live in your plant and office communities, who represent you in Congress, or who bargain collectively across the tables with your representatives, are interested in your character. And what they think of your character is reasonably apt to influence the vote they cast about the whole corporate system.

Business is a Public Service

We must live, if we are to live as free men, in what Clarence Francis calls a system of democratic capitalism. Ours is the most democratic system ever invented, an economic system where every day the consumer casts his vote for the product and the system of his choice. It is by public demand or public rejection that great industries rise or fall, not by edict of a Gauleiter.

Not all business has yet made the transition from the old philosophy that an enterprise is primarily a means to a personal end, to the new and growing school in management which believes, however, that business is more and more a public service function, to be rewarded through profit in proportion to its contribution to the public good.

I am convinced that this process of identifying business with the great goals of the human race, the great but simple goals, is all that can maintain today's free corporate system. We have achieved mass production, in peace and war, and nowhere have achieved mass serenity of the peoples of this land. Instead we have only contributed to their growing frustration, their decreasing stability, their reduced happiness. Examine the knots and tensions in your own lives for evidence.

Let us never for one moment give up our magnificent technologies. But do let us use our every power to identify the owners and managers of those technologies with the simple goals—better education for everybody's children, better health and nutrition, better housing, better opportunities based on ability, more security for the aged and infirm, more respect for the opinion of any man who has opinions.

Human Satisfaction Brings Stability

These are the qualities that add to human relations. These are the industrial goals to which today's brass hats and those whose ideas will be around tomorrow must pay first allegiance.

The future—not only of a business system but perhaps of western humanitarian civilization—hangs upon the willingness of today's men of business to concentrate their brains and energies into an all-out attack on human frustration.

It may be unorthodox to conclude a speech with a definition. Be that as it may, the dictionary's first definition of "corporate" is: "Combines into one body; united." The second definition is: "Formed into a body by legal enactment." We can evaluate the success of our combined attack on human frustration if our fellow workers in our shops and plants choose of their own free will to be "combined into one body; united."

For if they do, it will be a token that we will have played our role in the restoration of human satisfaction, in the restoration of stability. We will have given back to modern man what he most needs and wants: a sense of participation in a way of life, a dedication to a common cause in which every man can play a vital part.